EXHIBIT 3
DATE 3/21/11
SB 320

Jefferson County Testimony
SB 320, FRET Hearing
March 21, 2011, 3:00 PM

The present state of the law requires those who want to build really big power lines to seek and obtain a permit (certificate of compliance) under MFSA. MCA 75-20.

To get the Certificate the applicant must complete an environmental impacts statement (EIS) under MEPA. MCA 75-1. Normally MEPA is procedural, but in the case of facility citing under MFSA, the EIS also serves a substantive role. It is used to satisfy the requirement under MFSA for specific findings such as the necessity for the project and the economic practicality of using public land verses private land. MCA 75-20-216(4) and 301.

As you all know, the Transmission Companies don't like Montana's existing laws and they are seeking wholesale changes.

Plan A consists of three bills that you have all seen in this committee. SB 320 is Plan B:

The bills presented as Plan A are:

SB 233 - Sen. Keane's MEPA bill will take away a property owners right to challenge state decisions on transmission siting in court and in Section 2, (2) to allow consideration of effects outside the state for limited purposes (including transmission lines).

SB 206 - Sen. Jones' bill to amend MFSA at Section 2, (1)(h) will eliminate the existing requirement for the state to compare the economic practicality of using public land instead of private land.

HB 198 - Rep. Peterson's eminent domain bill to allow merchant transmission lines to take Montana property to serve out of state markets.

THINK ABOUT IT - These three bills: (1) Eliminate the requirement to consider the economic impact of using private land instead of public land; (2) Create a new provision that allows consideration of factors out side of Montana to show need for the project; (3) Give Merchant Transmission Companies the right of eminent

eminent domain and; (4) Take away an owners' right to seek judicial recourse under MEPA.

Why is a challenge under MEPA important? MEPA requires the state to protect the use and enjoyment of private property free of undue government regulation to the "fullest extent possible." MCA 75-1-103(2)(d) and 201(1)(a).

Plan A is not popular with property owners and it remains to be seen how much of Plan A gets passed into law.

Senate Bill 320 is Plan B; it exists in case the Transmission Companies cannot convince the Legislature to put a thumb on the scale in favor of constructing new transmission lines on private property.

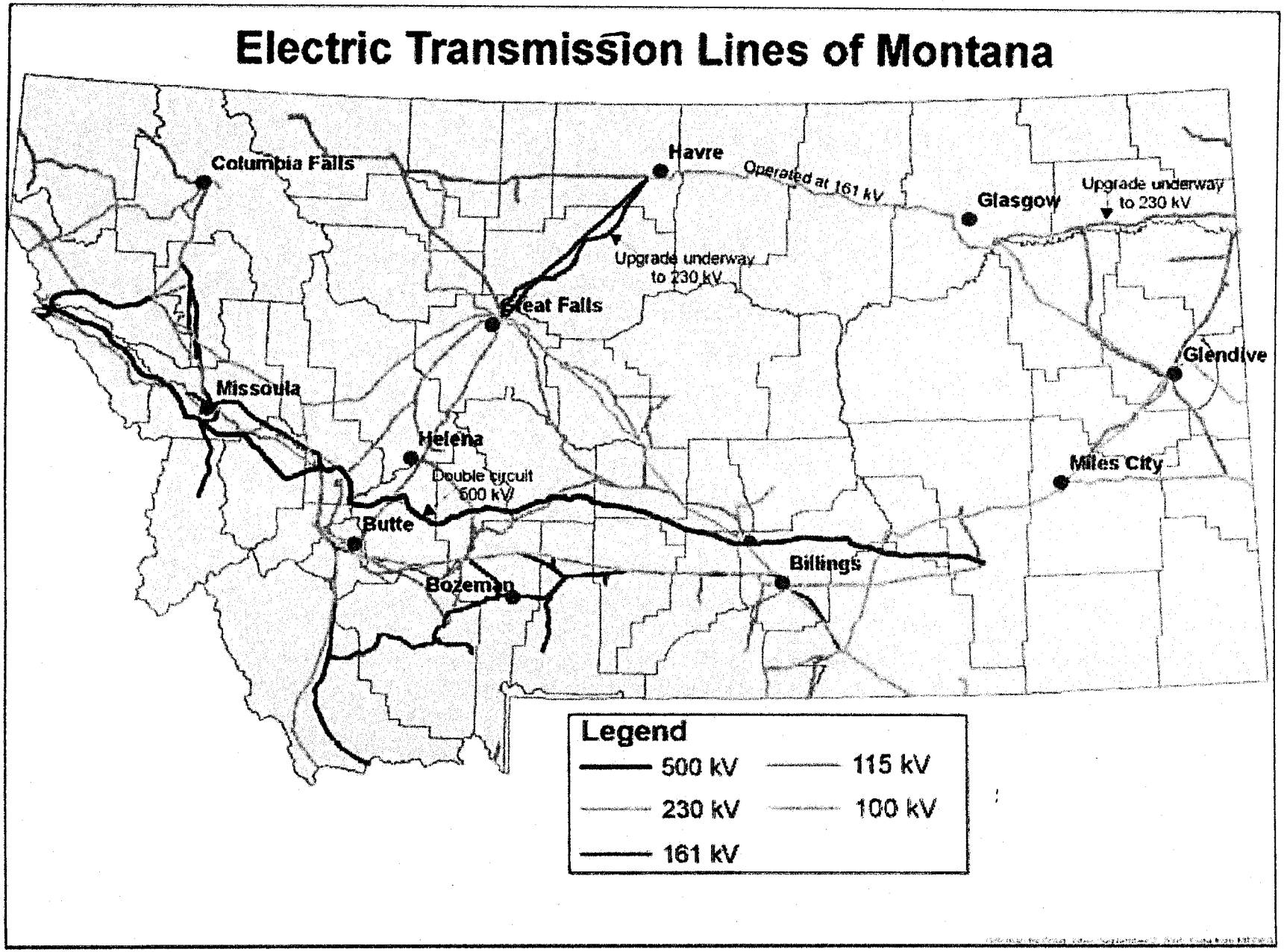
Under SB 320, Transmission Line Companies get the benefits of Plan A for their existing transmission rights-of-way; even better because they would not have to apply for a permit and therefore do not have to conduct an EIS.

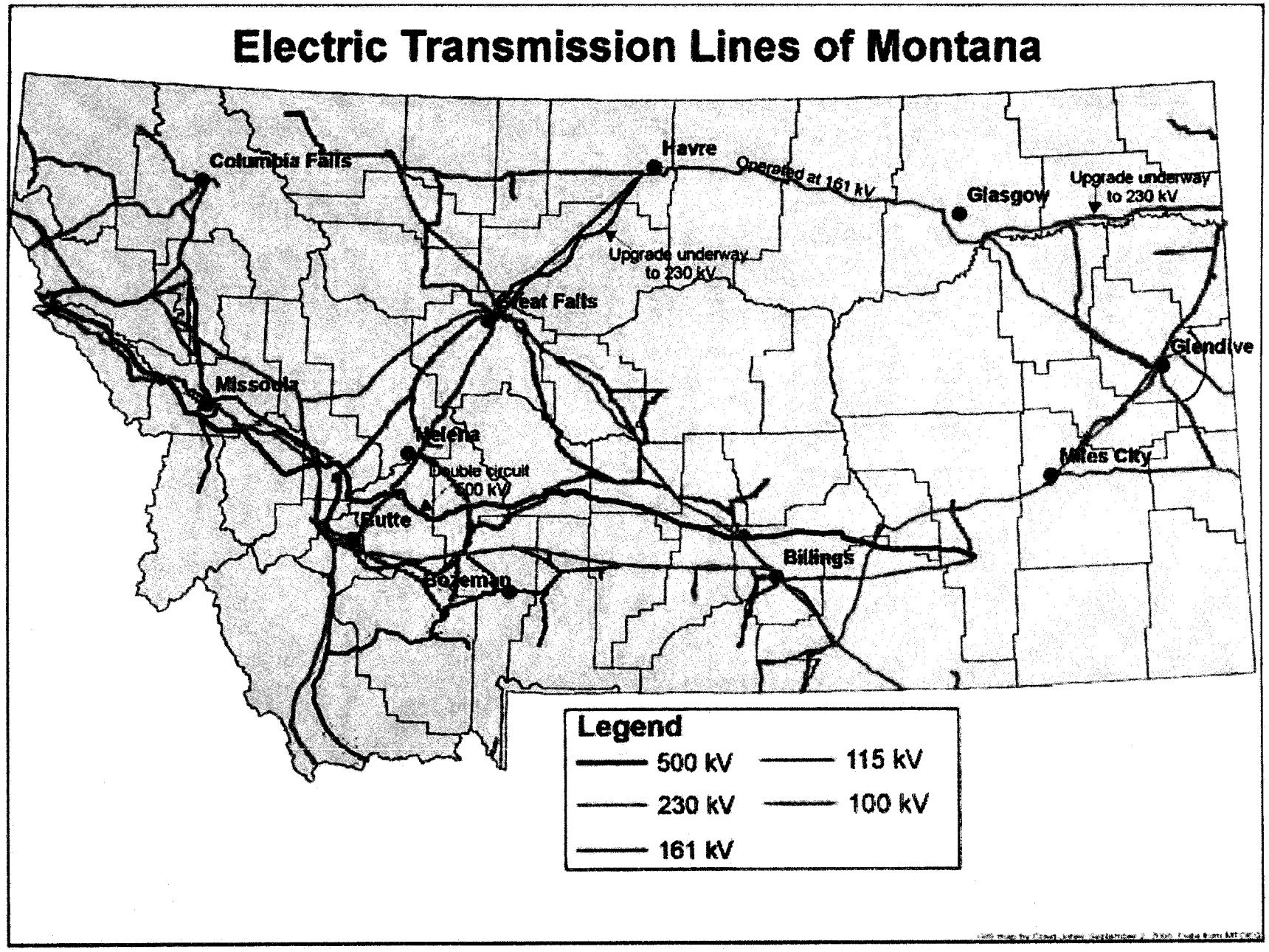
The proponents of this bill will say that the benefits to them only kick in if they can persuade 75% of the owners or owners of 75% of the property to go along with the plan. The response first is who's going to check off the 75% requirement. The other response is **due process.** Under this bill, property owners that do not go along with the plan to massively increase the burdened on their estate may simply wake up to the sound of bulldozers.

A map showing transmission lines in Montana is attached to these remarks. You will note the existing 100 kV lines from Great Falls to Butte, the existing 115 kV from Great Falls going north and west toward Canada.

A scale drawing of transmission line towers is attached to this testimony. Take a look at the size of poles for lines of 230kV and under. Compare those to the 500kV poles shown. Read the definition of "upgrade" --- anything goes.

So under this bill, the owner of a small transmission line can turn it into the biggest line allowable without notice and comment to affected property owners. Allowing upgrades on existing lines is a reasonable thing to do. Eliminating any constraints on that process is not.


Electric Transmission Lines of Montana
Columbia Falls
Havre
Operated at 161 kV
Upgrade underway to 230 kV
Glasgow
Upgrade underway to 230 kV
Great Falls
Glendive
Missoula
Helena
Double circuit 500 kV
Miles City
Butte
Billings
Bozeman
Legend
500 kV
115 kV
230 kV
100 kV
161 kV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UNDERSTANDING ENERGY IN MONTANA
A Guide to Electricity, Natural Gas, Coal, and Petroleum
Produced and Consumed in Montana

DEQ Report updated for Energy Telecommunications Interim Committee 2009-2010
Report originally prepared for EQC 2001-2002

p. 21, 22

The Montana Power Company (MPC) presided over Montana's first integrated transmission system. As the MPC transmission system, as well as rural electric cooperatives dependent on that system, grew MPC expanded its network to include 161 kV lines and ultimately a 230 kV backbone of lines. ..... During the war, the 161 kV Grace line was built from Anaconda south to Idaho. Later, the Bonneville Power Administration (BPA) extended its high-voltage system into the Flathead Valley to interconnect with Hungry Horse Dam and to serve the aluminum plant at Columbia Falls. In the mid 1980s, a double-circuit 500 kV line was built from the Colstrip generating plant in eastern Montana to the Idaho state line near Thompson Falls and on into Washington State. These two 500 kV lines are Montana's largest.

Today, Montana's strongest transmission interconnections with other regions are the two 500 kV lines leading from Colstrip into Idaho and Spokane, BPA's 230 kV lines running west from Hot Springs, PacifiCorp's interconnection from Yellowtail Dam south to Wyoming, WAPA's DC tie to the east at Miles City, WAPA's 230 kV lines out of Fort Peck and Miles City into North Dakota, WAPA's two 115 kV lines from Yellowtail Dam to Wyoming, and NWE's AMPS line running south from Anaconda parallel to the Grace line into Idaho.

Figure T1. Electric Transmission Lines of Montana as of 2009 (Montana DEQ)

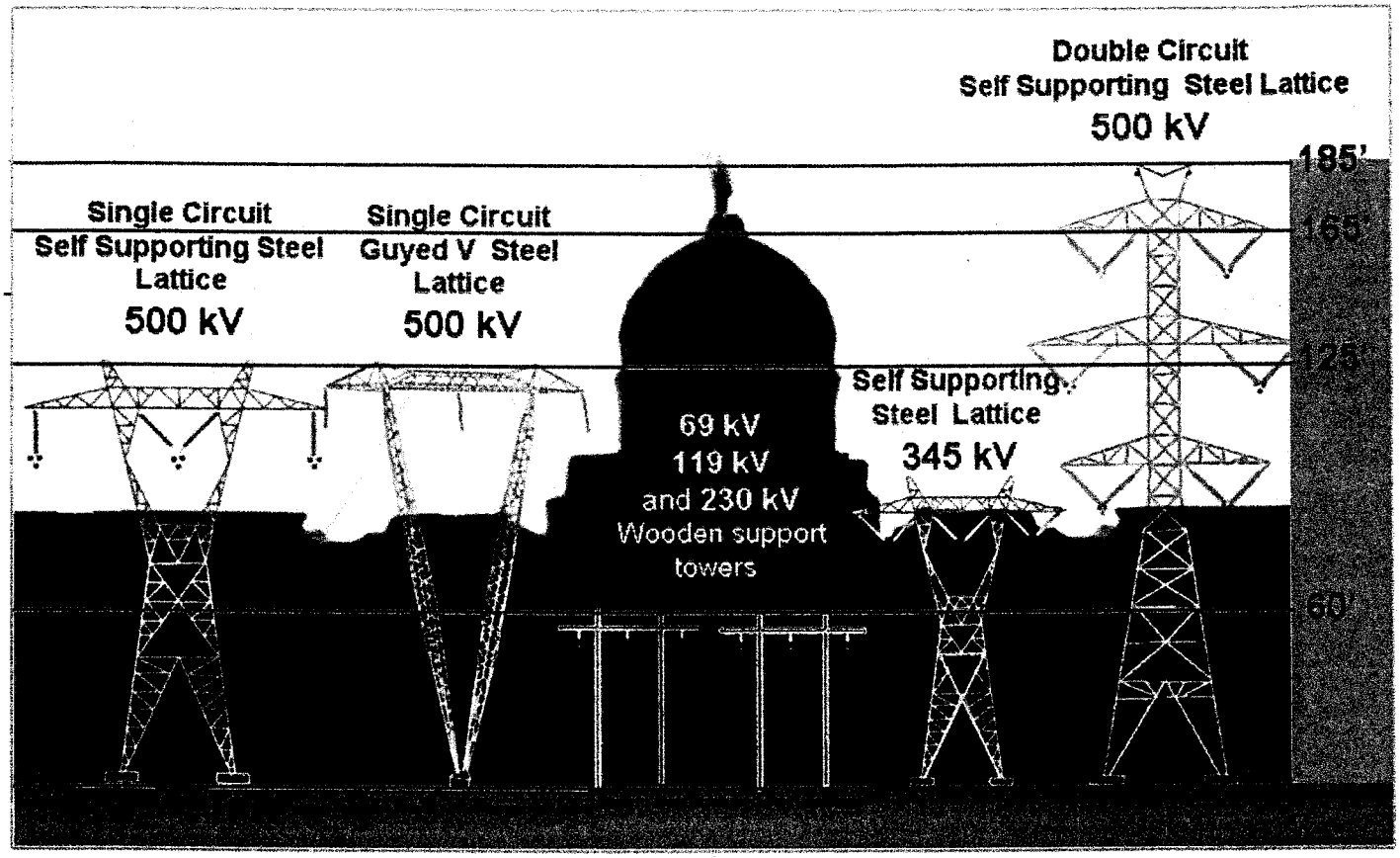
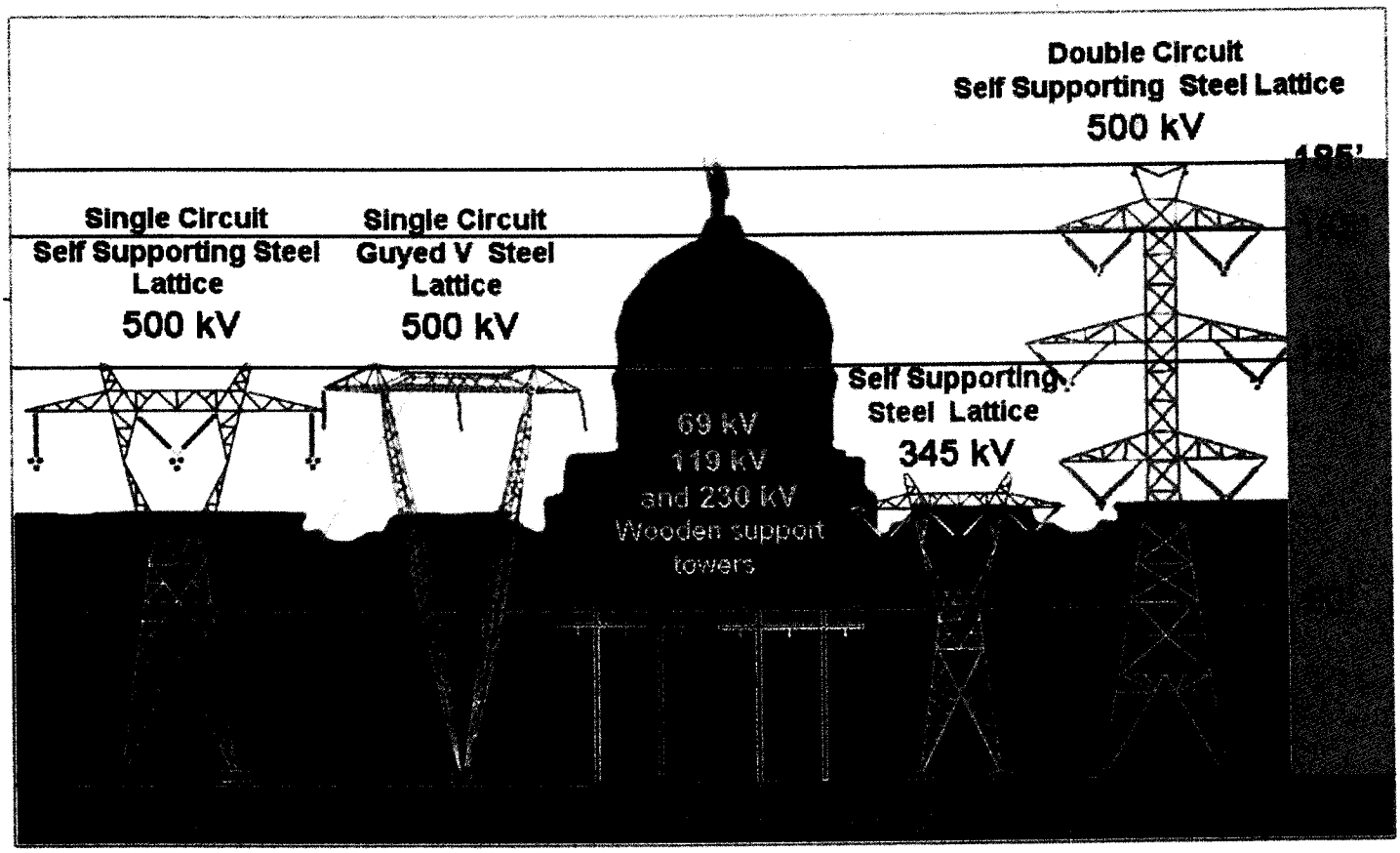


Diagram of various transmission tower designs measured against the Montana Capitol Building in Helena. (the dome is 165 feet high)
The tower diagrams are based on materials used by the Montana Department of Environmental Quality

Distribution lines operate between 2.2 kV and 34.5 kV. Transmission systems operate lines at voltages between 69 kV and 1,100 kV.
The most common primary distribution lines in an urban neighborhood carry 12 kV.
The transmission system uses lines with voltages generally between 115 kV and 765 kV.

There are industry designs for high and extra-high voltage suspension towers
A local example of double circuit 500 kV towers can be seen at the top of Boulder Hill on I-15. Out in the open landscape, the BPA 500 kV line looks big and you can experience a sense of this as you drive under it.
But you can't really appreciate the size of the facility until it is located next to a developed area like a small town or cluster of ranch buildings, very familiar objects for a scale comparison.



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